

**TESTIMONY OF CHARLES C. MADDOX, ESQ.,
INSPECTOR GENERAL, BEFORE THE D. C. COUNCIL
COMMITTEE ON GOVERNMENT OPERATIONS**

FISCAL YEAR 2000 PERFORMANCE REVIEW

FEBRUARY 12, 2001

**GOOD AFTERNOON CHAIRPERSON ORANGE AND MEMBERS OF
THE COMMITTEE.**

**I AM PLEASED TO TESTIFY BEFORE THIS COMMITTEE TODAY
CONCERNING OUR PERFORMANCE REPORT FOR FISCAL YEAR (FY)
2000. I WILL DESCRIBE OUR OFFICE'S ACCOMPLISHMENTS IN FY 2000
AND THUS FAR IN FY 2001.**

**FY 2000 WAS DISTINGUISHED BY PROGRESS IN SEVERAL AREAS.
WE ATTAINED DRAMATICALLY HIGHER PRODUCTIVITY LEVELS,
SIGNIFICANT INCREASES TO OUR STAFFING AND BUDGET, ADDED TO
OUR ORGANIZATION THE MEDICAID FRAUD CONTROL UNIT AS A
FOURTH DIVISION, AND RECEIVED LEGISLATIVE CHANGES
ENHANCING OUR JURISDICTION AND INDEPENDENCE.**

**WE CHANGED OUR MISSION STATEMENT FROM THE PREVIOUS
YEAR TO CORRESPOND TO THE "OFFICE OF THE INSPECTOR GENERAL
POWERS AND DUTIES AMENDMENT ACT OF 1999" PASSED BY THIS**

COUNCIL AND EFFECTIVE APRIL 5, 2000. THERE WERE SEVERAL REASONS FOR THE CHANGE: (1) TO SHOW THAT AN INSPECTION STAFF AND THE NEWLY FORMED MEDICAID FRAUD CONTROL UNIT NOW COMPLEMENT THE WORK BEING DONE BY OUR INVESTIGATIONS AND AUDIT DIVISIONS; (2) TO ILLUSTRATE THAT PART OF OUR MANDATE IS NOT ONLY TO DETECT FRAUD, WASTE, AND ABUSE, BUT ALSO TO TAKE A PROACTIVE APPROACH BY RECOMMENDING POLICIES THAT WILL PROMOTE ECONOMY, EFFICIENCY, AND EFFECTIVENESS; AND, (3) TO DEVELOP A SYSTEM OF COMMUNICATIONS THAT WILL KEEP THE MAYOR, COUNCIL AND DISTRICT GOVERNMENT AGENCY HEADS FULLY AND CURRENTLY INFORMED ABOUT PROBLEMS AND DEFICIENCIES RELATING TO THEIR PROGRAMS AND OPERATIONS.

IN FY 2001, WE MODIFIED AND ADDED TO OUR PERFORMANCE MEASURES IN SEVERAL AREAS TO BETTER REFLECT THIS MISSION STATEMENT.

I WILL PROVIDE THE STATISTICAL ACCOMPLISHMENTS IN EACH OF OUR PERFORMANCE MEASURES WITHIN THE FOUR OIG DIVISIONS TO SHOW HOW WE HAVE BEEN ACCOMPLISHING OUR MISSION, STARTING WITH THE AUDIT DIVISION.

PERFORMANCE AUDITS

IN THE AUDIT DIVISION, OUR AUDIT REPORTS PREVIOUSLY FELL INTO TWO CATEGORIES: (1) AUDITS CONDUCTED BY THE OIG WHICH ARE REQUIRED, DISCRETIONARY, OR PURSUANT TO SPECIAL REQUEST; AND (2) AUDITS CONDUCTED BY CONTRACT WITH EXTERNAL AUDITORS WHICH ARE REQUIRED, DISCRETIONARY, OR PURSUANT TO SPECIAL REQUESTS FROM DISTRICT MANAGEMENT. AUDITS CONDUCTED BY OIG AUDITORS WERE ACCOMPLISHED AT SIGNIFICANTLY LESS COST TO THE DISTRICT THAN EXTERNAL AUDITS, BECAUSE PROFIT AND PRIVATE SECTOR OVERHEAD WERE ELIMINATED. FOR EXAMPLE, CONTRACT AUDITS HAVE BEEN COSTING ABOUT \$75 PER HOUR, AS OPPOSED TO AUDITS CONDUCTED IN-HOUSE BY THE OIG, COSTING ABOUT \$35 PER HOUR.

WITH REGARD TO OUR AUDIT PERFORMANCE AND PRODUCTIVITY STANDARDS, FOR FY 2000, WE ISSUED A TOTAL OF 31 REPORTS. OUR PERFORMANCE TARGET WAS 28. THESE ISSUANCES CONSISTED OF AUDIT REPORTS, MANAGEMENT ALERT REPORTS, AND MANAGEMENT IMPLICATION REPORTS. WE HAD 12 AUDITS IN PROCESS AT THE END OF FY 2000. SO FAR IN FY 2001, WE ISSUED 11 REPORTS AND HAVE 15 AUDITS IN PROCESS.

FOR FY 2001, WE ELIMINATED THE PERFORMANCE MEASURE SHOWING THE OIG STAFF'S ONGOING AUDITS AND REPLACED IT WITH THE NUMBER OF DISTRICT AGENCIES COVERED BY OUR AUDITS FOR THE YEAR. I WILL SPEAK OF THIS PERFORMANCE MEASURE LATER IN MY TESTIMONY.

EXTERNAL AUDITS

WITH THE INCEPTION OF THE IG ACT AMENDMENTS, EFFECTIVE APRIL 5, 2000, THE OIG'S ROLE WITH RESPECT TO THE ACQUISITION OF EXTERNAL AUDIT SERVICES HAS BEEN REDEFINED. AS A RESULT, THE OIG NO LONGER AWARDS CONTRACTS FOR AUDIT SERVICES FOR DISTRICT AGENCIES. HOWEVER, THE OIG IS REQUIRED TO RECEIVE ADVANCE NOTIFICATION OF ALL EXTERNAL AUDITS CONDUCTED BY ANY DISTRICT GOVERNMENT ENTITY AND RECEIVE A COPY OF ANY FINAL REPORT. WITH THE EXCEPTION OF THE AUDIT OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT AND OTHER CONTRACT AUDITS THAT WE BELIEVED WERE NECESSARY, THE AUDIT DIVISION HAS STOPPED CONTRACTING FOR AUDITS FOR OTHER DISTRICT AGENCIES. FOR EXAMPLE, AGENCIES WILL BE REQUIRED TO CONTRACT FOR SINGLE AUDITS RELATING TO GRANTS THAT THEY RECEIVE FROM THE FEDERAL GOVERNMENT. THE AUDIT DIVISION

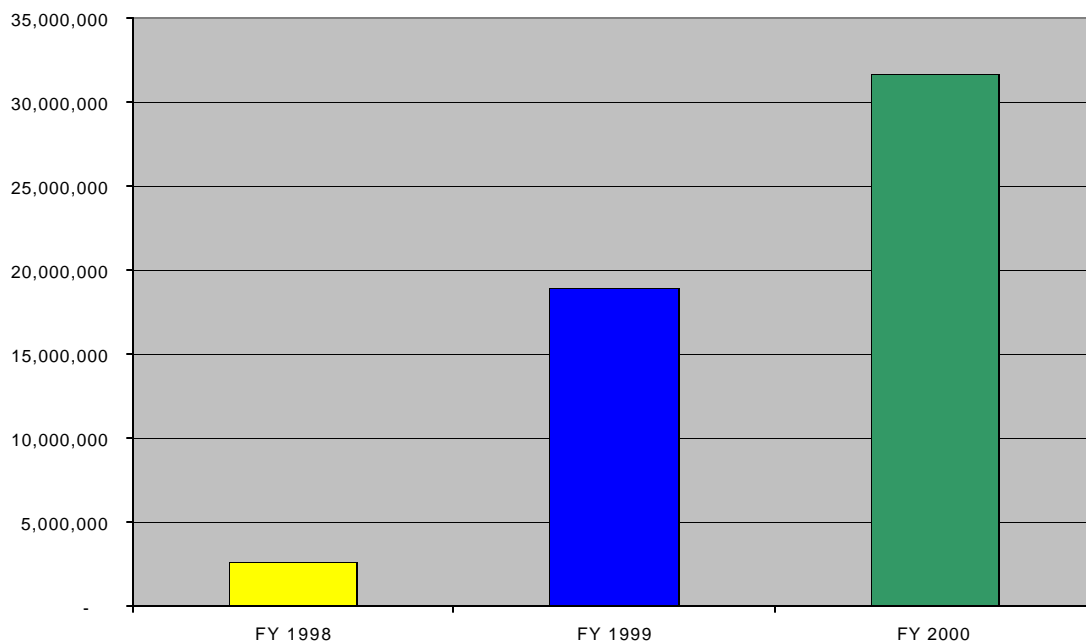
DEVOTED FY 2000 TO OVERSEEING THE COMPLETION OF CONTRACT AUDITS STARTED IN THE PRIOR FISCAL YEARS.

THE PERFORMANCE TARGET FOR THE NUMBER OF CONTRACT AUDITS IN PROCESS OR COMPLETED IN FY 2000 WAS 67. THE ACTUAL NUMBER WAS 59. THIS INCLUDED 36 CONTRACT AUDITS COMPLETED AND 23 STILL IN PROCESS BY THE END OF THE FISCAL YEAR. SO FAR IN FY 2001, 9 CONTRACT AUDITS HAVE BEEN COMPLETED AND 14 ARE STILL OUTSTANDING.

MONETARY BENEFITS DUE TO AUDITS

THE FY 1999 MONETARY BENEFITS FROM AUDITS WAS \$28.4 MILLION (\$18.9 MILLION FROM OIG AUDITS AND \$9.5 MILLION FROM CONTRACT AUDITS). OUR FY 2000 PERFORMANCE TARGET OF \$35 MILLION WAS AMBITIOUS. WE ACTUALLY REALIZED MONETARY BENEFITS OF \$33.9 MILLION FOR FY 2000 (\$31.7 MILLION FROM OIG AUDITS AND \$2.2 MILLION FROM CONTRACT AUDITS), A TOTAL INCREASE OF 19.3 PERCENT OVER THE PREVIOUS YEAR. FOR THE OIG AUDITS, EXCLUDING THE CONTRACT AUDITS, THE INCREASE IN MONETARY BENEFITS WAS 68 PERCENT. SO FAR IN FY 2001, THE MONETARY BENEFITS ATTRIBUTABLE TO AUDITS WAS \$15.4 MILLION.

THE IMPROVEMENT IN THIS PERFORMANCE MEASURE FOR THE PAST TWO YEARS HAS BEEN QUITE REMARKABLE. DURING FY 2000, THE AUDIT DIVISION ISSUED 31 REPORTS WITH ASSOCIATED MONETARY BENEFITS TO THE CITY OF \$31.7 MILLION (CONTRASTED WITH \$18.9 MILLION IN FY 1999 AND \$2.8 MILLION IN 1998). THESE NUMBERS ARE ILLUSTRATED ON THE FOLLOWING CHART.



THE IMPACT OF THESE MONETARY BENEFITS BECOMES APPARENT WHEN MEASURED AGAINST THE AUDIT DIVISION'S OPERATIONAL COST. DURING FY 2000, WITH 22 FULL TIME EMPLOYEES (FTE'S) AND AN OPERATIONAL COST OF \$1.7 MILLION, THE RESULTING RETURN ON INVESTMENT FOR AUDITS PERFORMED WAS APPROXIMATELY \$20 FOR EACH DOLLAR INVESTED. THIS WAS \$4 HIGHER THAN OUR LAST YEAR'S ESTIMATE FOR FY 2000 WHEN WE

PROJECTED A RETURN ON INVESTMENT OF \$16 FOR EACH DOLLAR INVESTED. IN CONTRAST, FOR FY 1999, WE RETURNED \$12 FOR EACH DOLLAR INVESTED WITH THE SAME NUMBER OF FTE'S. OUR RETURN IN FY 2000 WAS INCREASED OVER FY 1999 BY 67 PERCENT. IN FY 2001, WE WERE AUTHORIZED AN ADDITIONAL NINE FTE'S TO OUR STAFF AND PROJECTED THE RETURN ON INVESTMENT TO CLIMB TO OVER \$21 FOR EACH DOLLAR INVESTED. WE ARE STRIVING TO MAKE THIS PROJECTION; HOWEVER, WE WERE NOT ABLE TO HIRE ALL THE FTE'S UNTIL JANUARY-FEBRUARY 2001 BECAUSE THE APPROPRIATIONS ACT WAS NOT PASSED UNTIL LATE NOVEMBER.

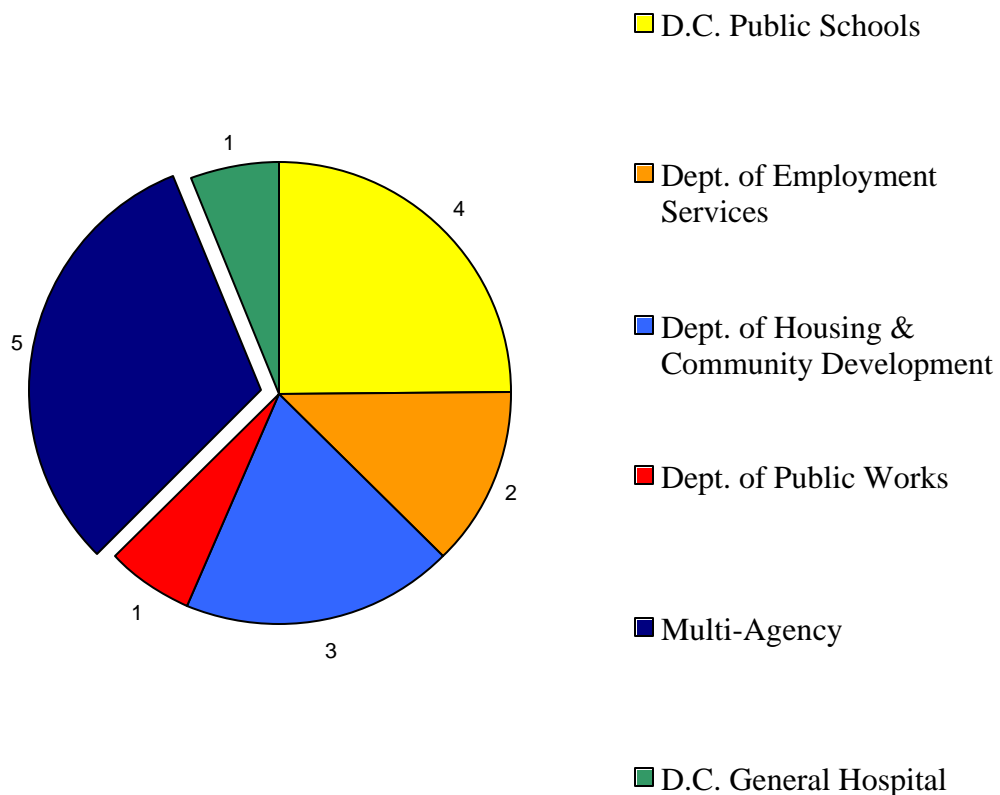
WE ATTRIBUTE OUR INCREASE IN DOLLAR SAVINGS TO OUR AUDIT PLANNING PROCESS, WHICH PLACES EMPHASIS ON SCHEDULING AUDITS WHICH WILL BEST IDENTIFY ECONOMIES AND EFFICIENCIES THAT CAN BE ACHIEVED IN CARRYING OUT DISTRICT GOVERNMENT OPERATIONS. A GOOD EXAMPLE IS OUR PLANNED AUDIT OF DISTRICT PROCUREMENT ACTIVITIES WHICH RESULTED IN SIGNIFICANT POTENTIAL MONETARY BENEFITS.

NEW PERFORMANCE MEASURES

AS I MENTIONED EARLIER, WE HAVE DROPPED TWO PRIOR PERFORMANCE MEASURES FOR THE AUDIT DIVISION--EXTERNAL, OR

CONTRACT AUDITS, AND ONGOING AUDITS. WE HAVE REPLACED THESE WITH THE PERCENTAGE OF RECOMMENDATIONS IMPLEMENTED AND DISTRICT AGENCY COVERAGE. WE STRONGLY BELIEVE THAT THE PERCENTAGE OF RECOMMENDATIONS IMPLEMENTED WILL BE A VALID MEASURE OF OUR CONTRIBUTIONS BECAUSE IT IS AN OUTCOME MEASURE. AUDIT FINDINGS AND RECOMMENDATIONS DO NOT PRODUCE THE DESIRED OUTCOMES UNLESS IMPLEMENTED. EXAMPLES OF RECOMMENDATIONS IMPLEMENTED INCLUDE MISSION IMPROVEMENTS AND DELIVERY OF SERVICES. THESE WOULD INCLUDE OUR AUDITS OF GROUP HOMES, IMPROVEMENTS IN CASH MANAGEMENT/ECONOMY AND EFFICIENCY, AND IMPROVEMENTS IN SAFETY AND HEALTH ISSUES.

ADDITIONALLY, AS I STATED EARLIER, THE PERFORMANCE MEASURE RELATING TO DISTRICT AGENCY COVERAGE WILL SHOW THE NUMBER OF AGENCIES, ORGANIZATIONS, AND FUNCTIONS AUDITED WITHIN THE FISCAL YEAR. THIS INDICATOR WILL SHOW THE SCOPE OF OUR OPERATIONS, SO THAT WE CAN DEMONSTRATE THE RANGE OF SERVICE THAT WILL BE IMPROVED AS A RESULT OF OUR EFFORTS. BELOW IS A CHART SHOWING THE AUDITS PERFORMED IN THE RESPECTIVE DISTRICT AGENCIES FOR FY 2000.



THE NEXT SET OF MEASUREMENTS APPLIES TO THE INVESTIGATIONS DIVISION.

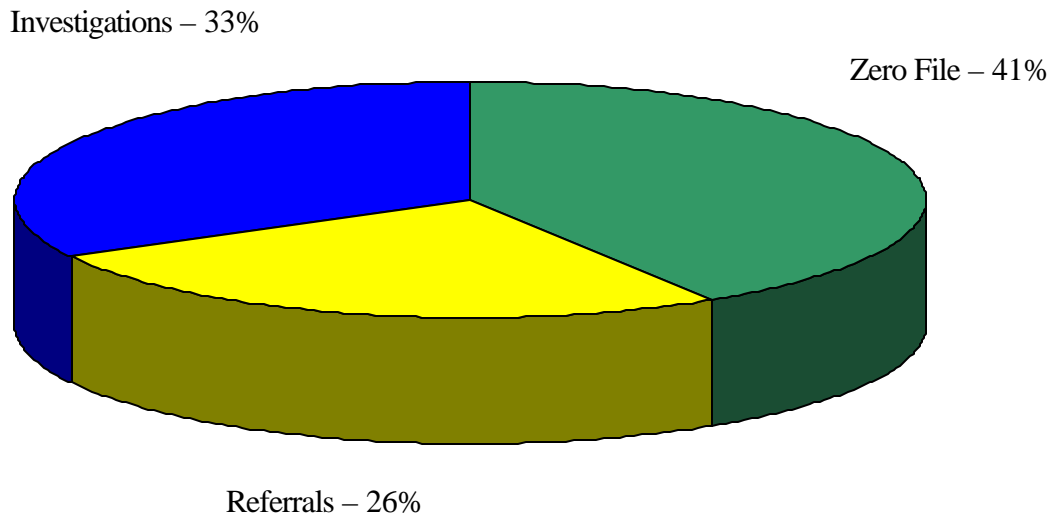
INVESTIGATIVE MATTERS ADDRESSED

THIS CATEGORY OF STATISTICS IS IMPORTANT BECAUSE IT REVEALS THE VOLUME OF COMPLAINTS AND ALLEGATIONS BROUGHT TO OUR ATTENTION. AT PRESENT, RESOURCES ARE AVAILABLE TO INVESTIGATE ONLY ABOUT ONE-THIRD OF THESE MATTERS. ABOUT 40 PERCENT OF ALL COMPLAINTS, AFTER SCREENING AND ANALYSIS,

ARE PLACED IN A HOLDING – OR “ZERO” FILE. THIS IS DONE, IN SOME CASES, BECAUSE OF THE VAGUE OR DE MINIMUS NATURE OF THE INITIAL COMPLAINT. IN OTHER CASES, WE ARE FORCED TO REPRIORITIZE LESS SUBSTANTIVE MATTERS, SUCH AS THOSE THAT DO NOT CONSTITUTE CRIMINAL OR SERIOUS ADMINISTRATIVE INFRACTIONS, DUE TO LACK OF PERSONNEL RESOURCES. THE REST OF THE INCOMING COMPLAINTS, ABOUT 26 PERCENT, ARE REFERRED TO THE AGENCIES WHERE THE PROBLEMS EXIST.

IT SHOULD BE UNDERSTOOD THAT A REFERRAL FROM US CONSISTS OF SPECIFIC ALLEGATIONS THAT ARE SENT TO AN AGENCY HEAD ALONG WITH A SET OF QUESTIONS AND A DEADLINE FOR REMEDIAL ACTION AND RESPONSE. THESE ACTIONS ARE CLOSELY MONITORED BY THIS OFFICE, AND ARE FURTHER DESCRIBED IN OUR ANNUAL REPORT.

AT THE START OF FY 2000, THE OIG HAD 197 PENDING INVESTIGATIONS. AN ADDITIONAL 580 INVESTIGATIVE MATTERS WERE RECEIVED DURING FY 2000. OF THOSE 580 MATTERS, 193 WERE OPENED AS FORMAL INVESTIGATIONS, 149 WERE REFERRED TO AGENCY HEADS FOR ACTION, AND 238 WERE CLOSED WITHOUT INVESTIGATIVE EFFORTS BY PLACING THEM IN THE ZERO FILE.



THE NUMBER OF CASES THAT WERE OPENED IN FY 2000, 193, REPRESENTS A 15 PERCENT DECREASE FROM FY 1999, WHEN WE OPENED 227 CASES. THIS WAS ATTRIBUTED TO THREE SPECIFIC FACTORS. FIRST, THIS OFFICE WAS MORE SELECTIVE IN FY 2000 AS TO THE TYPE AND QUALITY OF CASES OPENED AS FORMAL INVESTIGATIONS. SECOND, BECAUSE OF THE DECISION MADE ON SELECTIVITY OF CASES, THE TOTAL NUMBER OF MATTERS REFERRED TO OTHER AGENCIES FOR RESOLUTION INCREASED. IN THIS REGARD, IN FY 2000, THE INVESTIGATIONS DIVISION REFERRED 149 MATTERS TO OTHER AGENCIES FOR RESOLUTION AS COMPARED TO 109 IN FY 1999. THIRD, DURING FY 2000, WE RECEIVED FEWER HOTLINE COMPLAINTS THAN IN FY 1999. FOR FY 2000, WE RECEIVED 327 HOTLINE CALLS AS COMPARED TO 359 FOR FY 1999. HOWEVER, WE HAD A 235 PERCENT INCREASE IN THE NUMBER OF REPORTS ISSUED BY THE

INVESTIGATION DIVISION FOR FY 2000 (87) COMPARED TO FY 1999 (26). THIS INCREASE REFLECTS SIGNIFICANT ADVANCES IN THE ECONOMY AND EFFICIENCY OF OPERATIONS.

LAST YEAR, WE ESTIMATED THAT WE WOULD RECEIVE COMPLAINTS INVOLVING 690 INVESTIGATIVE MATTERS. THE ACTUAL FIGURE WAS 580, A DECREASE OF 16 PERCENT. SO FAR IN FY 2001, THE INTAKE OF INVESTIGATIVE MATTERS IS 174.

INQUIRIES RECEIVED ON THE HOTLINE

FOR FY 2000, WE ANTICIPATED THAT THE NUMBER OF HOTLINE CALLS WOULD REACH 375 – WE ACTUALLY RECEIVED 327 CALLS, DOWN FROM 398 IN FY 1999. SO FAR IN FY 2001, WE RECEIVED 94 CALLS.

WHILE HOTLINE CALLS REPRESENT JUST ONE OF THE WAYS IN WHICH GOVERNMENT EMPLOYEES AND CONCERNED CITIZENS PROVIDE INFORMATION TO THE OIG, IT IS IMPORTANT TO NOTE THAT SOME OF THE MOST SIGNIFICANT CASES THE OIG INVESTIGATES RESULT FROM CALLS PLACED TO THE OIG HOTLINE. WE RECEIVE REPORTS OF GOVERNMENT CORRUPTION, WASTE, FRAUD, AND ABUSE BY MAIL, IN PERSON, AND BY REFERRAL FROM OTHER DEPARTMENTS AND AGENCIES.

PROSECUTIVE ACTIVITIES

CRIMINAL VIOLATIONS UNCOVERED BY THE OIG ARE REQUIRED BY D. C. CODE § 1-1182.8, TO BE REFERRED TO THE U. S. ATTORNEY'S OFFICE (USAO) FOR PROSECUTION. IN FY 2000, THE OIG REFERRED 45 CASES TO THE USAO FOR POSSIBLE PROSECUTION, AND 29 WERE ACCEPTED. THE INVESTIGATIONS CONDUCTED BY THE OIG (IN SOME CASES, IN CONJUNCTION WITH OTHER LAW ENFORCEMENT AGENCIES) RESULTED IN 16 CONVICTIONS. FOURTEEN OF THOSE CONVICTED RECEIVED SENTENCES RANGING FROM IMPRISONMENT TO PROBATION AND HOME DETENTION.

RESTITUTIONS AND RECOVERIES

DURING FY 2000, INDIVIDUALS CONVICTED AS A RESULT OF OIG INVESTIGATIONS WERE ORDERED TO PAY A TOTAL OF OVER \$2.1 MILLION IN RESTITUTION, FINES, ASSESSMENTS, TAXES AND PENALTIES. IN ADDITION, THE INVESTIGATIONS DIVISION RECOUPED PROPERTY AND MONIES TOTALING ABOUT \$2,900 THAT HAD BEEN FRAUDULENTLY TAKEN.

INSPECTION REPORTS

OUR INSPECTIONS AND EVALUATIONS DIVISION HAS COMPLETED AN INSPECTION OF A DISTRICT AGENCY APPROXIMATELY EVERY FOUR MONTHS SINCE ITS CREATION IN MAY 1999. AS I HAVE NOTED IN PREVIOUS APPEARANCES BEFORE YOU, WE NOW HAVE THE CAPABILITY TO CONDUCT BROAD SCALE ASSESSMENTS OF AGENCIES WITH CRITICAL SERVICE DELIVERY RESPONSIBILITIES. SINCE MY LAST REPORT ON OUR PERFORMANCE, THE DIVISION HAS INSPECTED THE MEDICAL ASSISTANCE ADMINISTRATION, WHICH IS THE CITY'S MEDICARE AGENCY, THE MOTOR VEHICLE INSPECTION STATION, AND THE SOLID WASTE MANAGEMENT ADMINISTRATION IN THE DEPARTMENT OF PUBLIC WORKS. INSPECTIONS OF PUBLIC WORKS' FLEET MANAGEMENT ADMINISTRATION AND THE DEPARTMENT OF PARKS AND RECREATION WILL BE COMPLETED WITHIN THE NEXT MONTH.

EACH OF OUR INSPECTIONS HAS HELPED AGENCY HEADS IDENTIFY AND SEEK SOLUTIONS TO OPERATIONAL AND ADMINISTRATIVE PROBLEMS THAT HAVE KEPT THEM FROM FUNCTIONING AT THE FULL-PERFORMANCE LEVEL DESIRED BY YOU, THE MAYOR, AND ALL OTHER STAKEHOLDERS. BECAUSE OF THE

ADDITIONAL RESOURCES WE RECEIVED THIS FISCAL YEAR, WE NOW HAVE INCREASED OUR INSPECTION CAPABILITY AND CAN INTENSIFY OUR COMPLIANCE ACTIVITIES TO ENSURE THAT INSPECTED AGENCIES FOLLOW-UP ON OUR RECOMMENDATIONS.

IN ITS FIRST FULL YEAR OF OPERATIONS, THE INSPECTIONS AND EVALUATION (I&E) DIVISION ISSUED FOUR INSPECTION REPORTS IN FY 2000. THESE REPORTS CONTAINED A TOTAL OF 146 FINDINGS AND 249 RECOMMENDATIONS. RECOMMENDATIONS WERE MADE TO AGENCY AND DEPARTMENT HEADS THAT REQUIRED CORRECTIVE MEASURES TO IMPROVE OPERATIONS, ADDRESS DEFICIENCIES, AND ENSURE THAT DISTRICT LAWS, REGULATIONS, AND POLICIES ARE ADHERED TO. IN ADDITION, SEVEN MANAGEMENT ALERT REPORTS WERE ISSUED TO AGENCY MANAGEMENT POINTING OUT VARIOUS PROBLEMS THAT SHOULD BE DEALT WITH WITHIN THEIR AGENCIES. SO FAR IN FY 2001, WE ISSUED ONE INSPECTION REPORT, AND FOUR MANAGEMENT ALERT REPORTS. THE DIVISION IS CONTINUOUSLY FOLLOWING UP ON PREVIOUS INSPECTIONS IT CONDUCTED.

PLEASE NOTE THAT THE COST OF THESE INSPECTIONS IS CONSIDERABLY LESS THAN FEES CHARGED BY OUTSIDE CONTRACTORS TO DO THE SAME WORK. THE COST TO THE OIG FOR THE THREE PROJECTS COMPLETED IN FY 2000 TOTALED OVER \$334,000.

THE COST OF A CONTRACTOR TO DO SIMILAR WORK WOULD BE OVER \$972,000. USING OUR OWN STAFF TO DO THIS WORK RESULTED IN A SAVINGS TO THE DISTRICT GOVERNMENT OF ABOUT \$640,000.

IN FY 2001, THE I&E DIVISION PLANS TO COMPLETE SIX INSPECTIONS AND FOUR FOLLOW-UP INSPECTIONS.

MEDICAID FRAUD CONTROL UNIT

THE MEDICAID FRAUD CONTROL UNIT (MFCU) IS THE NEWEST OF THE FOUR DIVISIONS WITHIN THE OIG. THE UNIT RECEIVED ITS CERTIFICATION BY THE U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES ON MARCH 1, 2000.

PREVIOUSLY, THE DISTRICT WAS ONE OF THE FEW JURISDICTIONS IN THE UNITED STATES THAT LACKED SUCH A UNIT TO INVESTIGATE AND PROSECUTE MEDICAID FRAUD AND PATIENT ABUSE. THIS UNIT – NOW OUR FOURTH DIVISION IN ADDITION TO THE AUDIT, INVESTIGATIONS, AND INSPECTIONS DIVISIONS – HAS BEEN FULLY STAFFED WITH ATTORNEYS, INVESTIGATORS, AND AUDITORS. IT HAS ALREADY PRESENTED CASES TO THE UNITED STATES ATTORNEYS OFFICE FOR CRIMINAL AND CIVIL ACTION. IT ALSO INITIATED AN EXTENSIVE OUTREACH PROGRAM WITH OTHER AGENCIES, SUCH AS

THE DEPARTMENT OF HEALTH AND THE METROPOLITAN POLICE AND FIRE DEPARTMENTS, IN ORDER TO COORDINATE EFFORTS TO COMBAT THE INTENTIONAL ABUSE OR NEGLECT OF VULNERABLE ADULTS.

AS IN THE CASE WITH FRAUD MATTERS, THE MFCU HAS BEEN REVIEWING THE DISTRICT CODE PROVISIONS RELATIVE TO THE ABUSE OF PATIENTS. ACCORDINGLY, WE HAVE SUPPORTED AND MADE SUGGESTIONS REGARDING THE PASSAGE OF NEW LEGISLATION, WHICH WILL PROVIDE ADDITIONAL LEGAL REMEDIES IN THE FIGHT AGAINST FRAUD AND PATIENT ABUSE.

SINCE ITS INCEPTION IN MARCH 2000, THE MFCU HAS ADDRESSED 362 UNUSUAL INCIDENTS AT NURSING HOMES AND GROUP HOMES, INITIATED 20 CASES, AND CREATED 5 REPORTS ON FRAUD AND ABUSE IN THE MEDICAID PROGRAM. FOR FY 2000, THE MFCU TARGET IS TO ADDRESS 600 UNUSUAL INCIDENTS, INITIATE 40 FRAUD CASES, RECOVER FUNDS OF \$500,000, AND ISSUE 12 REPORTS. THIS UNIT HAS ALSO PRESENTED THREE CASES TO THE U. S. ATTORNEY, WHICH WERE ALL ACCEPTED FOR PROSECUTION. IN FY 2001, ONE CASE WAS PRESENTED TO THE U. S. ATTORNEY FOR PROSECUTION AND WAS ACCEPTED. IN ADDITION, THE MFCU HAS WORKED WITH THE MEDICAL ASSISTANCE ADMINISTRATION AND OBTAINED REPAYMENT OF OVER \$250,000 OVERPAID BY MEDICAID PROVIDERS.

CONCLUSION

OUR STATISTICAL ACHIEVEMENTS ARE AN IMPORTANT INDICATOR OF HOW SUCCESSFUL WE HAVE BEEN IN FULFILLING OUR MISSION. HOWEVER, I BELIEVE THAT OUR CONTINUING EFFORTS TO CREATE A SPIRIT OF COOPERATION AND MUTUAL UNDERSTANDING WITH STAKEHOLDERS CAN RESULT IN A LESS OBVIOUS, BUT EQUALLY VALUABLE, CONTRIBUTION TO THE POSITIVE MOMENTUM THAT IS NOW SO APPARENT IN THE DISTRICT. IN THAT REGARD, I HAVE MADE A SPECIAL EFFORT TO ENSURE THAT EVERY ONE OF OUR AUDIT AND INSPECTION REPORTS, WHICH CONTAIN OUR FINDINGS AND RECOMMENDATIONS AS WELL AS AGENCY RESPONSES, ARE AVAILABLE TO THE MAYOR, THE CITY COUNCIL, AND THE CONTROL BOARD SO THAT THEY ARE ABLE TO SUPPORT AND ASSIST AGENCIES IN REFORMING OR IMPROVING THEIR OPERATIONS. WE SHARE OUR REPORTS WITH THE GENERAL PUBLIC THROUGH OUR WEB SITE, WHICH IS WWW.DCIG.ORG, AND WE DO ALL WE CAN TO ENSURE THAT THE MEDIA REPORTS OUR FINDINGS ACCURATELY AND IN CONTEXT. WE ARE CONTINUALLY IMPROVING, AND IN SO DOING, WE IMPROVE OUR ABILITY TO HAVE A POSITIVE EFFECT ON THE WAY THE DISTRICT DOES BUSINESS.

**FOR FY 2002, WE WILL BE ASKING FOR \$11.1 MILLION TO FUND
THE OIG'S ACTIVITIES.**

**THANK YOU FOR OPPORTUNITY TO TESTIFY TODAY ON BEHALF
OF MY STAFF. MY STAFF AND I WILL BE HAPPY TO ANSWER ANY
QUESTIONS YOU MAY HAVE.**